

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other MT. HALEY			County MIDLAND
Audit Date MARCH 31, 2004	Opinion Date JUNE 9, 2004	Date Accountant Report Submitted to State: JUNE 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

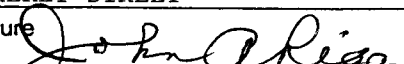
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) JOHN A. RIGG, CPA			
Street Address 4012 W. WACKERLY STREET	City MIDLAND	State MI	ZIP 48640
Accountant Signature 			

MT. HALEY TOWNSHIP
MIDLAND COUNTY, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2004

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement 1. - Combined Balance Sheet March 31, 2004	2
Statement 2. - Combined Statement of Revenues, Expenditures and Changes in Fund Balance All Governmental Fund Types For the Year Ended March 31, 2004	3
Statement 3. - Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General and Special Revenue Fund Types For the Year Ended March 31, 2004	4
Notes to Financial Statements March 31, 2004	5-8
Supplementary Information	9
Statement 4. - General Fund Statement of Revenues and Expenditures - Budget and Actual For the Year Ended March 31, 2004	10
Statement 5. - Statement of Changes in Assets and Liabilities Tax Agency Fund For the Year Ended March 31, 2004	11
Schedule 1. - General Fund Schedule of Expenditures Compared to Budget For the Year Ended March 31, 2004	12-15

*

JOHN A. RIGG
CERTIFIED PUBLIC ACCOUNTANT
4012 W. WACKERLY STREET
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774
FAX (989) 835-9622

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Mt. Haley Township Board
Midland County, Michigan

I have audited the accompanying general purpose financial statements of Mt. Haley Township, Midland County, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Mt. Haley Township, Midland County, as of March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Mt. Haley Township, Midland County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

John A. Rigg
Certified Public Accountant

Midland, Michigan
June 9, 2004

MT. HALEY TOWNSHIP
COMBINED BALANCE SHEET
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>General</u>	<u>Special Revenue - Solid Waste</u>
<u>ASSETS</u>		
Cash on hand and in bank	\$ 49,828.88	\$ 43,928.39
Taxes receivable	4,197.91	10,655.16
Due from other funds	21.00	
Prepaid expenses	4,243.00	
Fixed assets		
<u>Total assets</u>	<u>\$ 58,290.79</u>	<u>\$ 54,583.55</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 11,628.93	\$ 3,915.96
Withheld and accrued payroll taxes	1,043.48	
Due to other funds		
<u>Total liabilities</u>	<u>\$ 12,672.41</u>	<u>\$ 3,915.96</u>
<u>FUND EQUITY</u>		
Investment in general fixed assets	\$	\$
Fund balance:		
Unreserved		
Designated	4,243.00	
Undesignated	41,375.38	50,667.59
<u>Total fund balance</u>	<u>\$ 45,618.38</u>	<u>\$ 50,667.59</u>
<u>Total liabilities and fund balance</u>	<u>\$ 58,290.79</u>	<u>\$ 54,583.55</u>

See accompanying notes to financial statements.

<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>Totals (Memorandum Only)</u>
<u>Trust and Agency</u>	<u>General Fixed Assets</u>	
\$ 21.00	\$	\$ 93,778.27
		14,853.07
		21.00
		4,243.00
	120,095.67	120,095.67
<u>\$ 21.00</u>	<u>\$120,095.67</u>	<u>\$232,991.01</u>
\$	\$	\$ 15,544.89
		1,043.48
21.00		21.00
<u>\$ 21.00</u>	<u>\$</u>	<u>\$ 16,609.37</u>
\$	\$120,095.67	\$120,095.67
		4,243.00
		92,042.97
<u>\$ -0-</u>	<u>\$120,095.67</u>	<u>\$216,381.64</u>
<u>\$ 21.00</u>	<u>\$120,095.67</u>	<u>\$232,991.01</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue - Solid Waste</u>	
<u>REVENUES</u>			
Taxes and assessments	\$ 45,089.86	\$ 74,140.00	\$119,229.86
Summer tax collection fee	2,335.00		2,335.00
Licenses and permits	5,579.00		5,579.00
State shared revenue	117,919.00		117,919.00
Interest earned	1,767.07	263.67	2,030.74
Rental of facilities	2,760.00		2,760.00
Service fees	531.48		531.48
Miscellaneous	114.99		114.99
Cable television franchise fees	2,171.04		2,171.04
Land division fees	750.00		750.00
Delinquent tax administration fee	97.77		97.77
<u>Total revenues</u>	<u>\$179,115.21</u>	<u>\$ 74,403.67</u>	<u>\$253,518.88</u>
<u>EXPENDITURES</u>			
General government	\$119,953.44	\$	\$119,953.44
Public safety	15,117.96		15,117.96
Highways and streets	113,509.87		113,509.87
Sanitation	135.00	69,374.79	69,509.79
Culture and recreation	3,969.00		3,969.00
<u>Total expenditures</u>	<u>\$252,685.27</u>	<u>\$ 69,374.79</u>	<u>\$322,060.06</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(73,570.06)</u>	<u>\$ 5,028.88</u>	<u>\$(68,541.18)</u>
Fund balance - beginning	<u>119,188.44</u>	<u>45,638.71</u>	<u>164,827.15</u>
Fund balance - ending	<u>\$ 45,618.38</u>	<u>\$ 50,667.59</u>	<u>\$ 96,285.97</u>

See accompanying notes to financial statements.

MT. HALEY TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and assessments	\$ 39,780.00	\$ 45,089.86	\$ 5,309.86
Summer tax collection fee		2,335.00	2,335.00
Licenses and permits	6,000.00	5,579.00	(421.00)
State shared revenue	129,230.00	117,919.00	(11,311.00)
Interest earned	2,800.00	1,767.07	(1,032.93)
Rental of facilities	2,500.00	2,760.00	260.00
Service fees	500.00	531.48	31.48
Miscellaneous	3,500.00	114.99	(3,385.01)
Cable television franchise fees	1,500.00	2,171.04	671.04
Land division fees	1,000.00	750.00	(250.00)
Delinquent tax administration fee		97.77	97.77
<u>Total revenues</u>	<u>\$186,810.00</u>	<u>\$179,115.21</u>	<u>\$ (7,694.79)</u>
<u>EXPENDITURES</u>			
General government	\$122,406.00	\$119,953.44	\$ 2,452.56
Public safety	11,000.00	15,117.96	(4,117.96)
Highways and streets	117,000.00	113,509.87	3,490.13
Sanitation		135.00	(135.00)
Culture and recreation	4,400.00	3,969.00	431.00
<u>Total expenditures</u>	<u>\$254,806.00</u>	<u>\$252,685.27</u>	<u>\$ 2,120.73</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$(67,996.00)</u>	<u>\$(73,570.06)</u>	<u>\$ (5,574.06)</u>
Fund balance - beginning	119,188.44	119,188.44	-0-
Fund balance - ending	<u>\$ 51,192.44</u>	<u>\$ 45,618.38</u>	<u>\$ (5,574.06)</u>

See accompanying notes to financial statements.

SPECIAL REVENUE FUND - SOLID WASTE

<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
\$ 73,590.00	\$ 74,140.00	\$ 550.00
250.00	263.67	13.67
<u>\$ 73,840.00</u>	<u>\$ 74,403.67</u>	<u>\$ 563.67</u>
\$	\$	\$
73,170.00	69,374.79	3,795.21
<u>\$ 73,170.00</u>	<u>\$ 69,374.79</u>	<u>\$ 3,795.21</u>
\$ 670.00	\$ 5,028.88	\$ 4,358.88
<u>45,638.71</u>	<u>45,638.71</u>	<u>-0-</u>
<u>\$ 46,308.71</u>	<u>\$ 50,667.59</u>	<u>\$ 4,358.88</u>

MT. HALEY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Mt. Haley Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Description of Reporting Entity

Mt. Haley Township, Midland County, was organized prior to 1900 and covers approximately 24 square miles with the township's seat located within the boundaries of the township. The township operates under the directorship of a township board consisting of five members. The township provides the following services: public safety, highways and streets, culture and recreation, refuse collection, public improvements and general administrative services.

B. Fund Accounting

The accounts of Mt. Haley Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - A special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Funds

Trust and Agency Funds - A trust and agency fund is used to account for assets held by the township in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Agency funds are custodial in nature and do not involve measurements of results of operations.

C. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Infrastructure fixed assets are not included in the general fixed assets account group.

MT. HALEY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Historical costs of assets on hand on March 26, 1969, were not available. A nominal value is used for these assets with subsequent purchases recorded at cost.

Long-term debt obligations of governmental fund types are accounted for in the general long-term debt account group, rather than in governmental funds. Annual principal and interest requirements are included in expenditures of the general fund.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and fiduciary funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are generally recognized when the related liability is incurred. Exceptions to this general rule are principal and interest payments on long-term debt which are recognized when due.

E. Budgets and Budgetary Accounting

Budgets for the general fund and special revenue fund are adopted on a basis consistent with generally accepted accounting principles. All budgets are on a line item basis and are adopted annually after a budget hearing and prior to the approval of any expenditure for the fiscal year.

F. Cash and Interest Bearing Deposits and Investments

Deposits are carried at cost. Deposits are in one bank in the name of Mt. Haley Township. Michigan Compiled Laws, Section 129.91, authorizes the local unit to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposits of public funds must maintain an office in Michigan. The local unit's deposits are in accordance with statutory authority.

The Government Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year end are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balances</u>
Insured	\$ 92,898.87	\$100,000.00
Uninsured		15,508.13
	<u>\$ 92,898.87</u>	<u>\$115,508.13</u>

The township does not have any investments which require disclosure of categories of risk in accordance with GASB Statement 3.

MT. HALEY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

G. Vacation, Sick Leave and Deferred Compensation

The township does not provide vacation or sick leave benefits to its employees, nor does it have a deferred compensation plan.

H. Other Significant Data

1. Property taxes attach as an enforceable lien on the property as of December 1. Taxes are levied on December 1 and payable through February 28, at which time they are returned delinquent to the Midland County Treasurer. The full 2003 levy of the township's property tax is recognized as revenue of the current period. The uncollected property taxes as of March 31, 2004, are recognized as a current receivable. The township bills and collects its own property taxes and also taxes for other governmental units. Collection of taxes and remittance of same are accounted for in the tax agency fund. Property taxes levied included 1.301 mills for general operations and \$110 per residence for solid waste collection for the current year. The 2003 state equalized value and taxable value of property located in the township totaled \$42,757,680. and \$34,650,510., respectively. The delinquent real property taxes of Mt. Haley Township are purchased by the County of Midland. The taxes have been recorded as revenue for the current year.

2. A summary of changes in general fixed assets follows:

	Balance 4-1-03	Additions	Balance 3-31-04
Land	\$ 1.00	\$	\$ 1.00
Building and improvements	100,899.11		100,899.11
Equipment	19,195.56		19,195.56
<u>Totals</u>	<u>\$120,095.67</u>	<u>\$ -0-</u>	<u>\$120,095.67</u>

3. The Statement of Changes in Assets and Liabilities - Tax Agency Fund, Statement 5., is not shown as a combining statement. This is shown as a separate statement since only one agency fund exists in Mt. Haley Township.
4. The financial statements do not include combining statements for special revenue funds since there is only one special revenue fund, the solid waste fund.
5. The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of this data.
6. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure as part of the combined statements, of certain information concerning individual funds including:

MT. HALEY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

- a. Summary disclosures of changes in general fixed assets by major asset class: See Note H.2. for this information.
- b. Excess of expenditures over appropriations in budgetary funds: No fund had expenditures in excess of appropriations for the year ended March 31, 2004.
- c. Deficit fund balances of individual funds: No fund was in a deficit position at March 31, 2004.
- d. Individual fund interfund receivable and payable balances.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 21.00	Tax Agency	\$ 21.00

7. The township provides pension benefits to substantially all its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered by Municipal Retirement Systems, Inc. As established by board resolution, the township contributes 7.5 percent of employees' gross earnings and employees contribute 7.5 percent of gross earnings. In accordance with these requirements, the township contributed \$4,337.31 during the current year, and the employees contributed \$4,337.36.

I. Risk Financing and Related Insurance Issues

The categories of risk of loss to which the township is exposed and for which it has purchased insurance are as follows: Property damage, liability, accident workers compensation and theft. There have been no significant reductions in insurance coverage as compared to the previous year.

SUPPLEMENTARY INFORMATION

MT. HALEY TOWNSHIP

Statement 4.

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Current tax collection	\$ 39,780.00	\$ 45,089.86	\$ 5,309.86
Summer tax collection fee		2,335.00	2,335.00
Licenses and permits	6,000.00	5,579.00	(421.00)
State shared revenue	129,230.00	117,919.00	(11,311.00)
Interest earned	2,800.00	1,767.07	(1,032.93)
Rental of facilities	2,500.00	2,760.00	260.00
Service fees	500.00	531.48	31.48
Miscellaneous	3,500.00	114.99	(3,385.01)
Cable television franchise fees	1,500.00	2,171.04	671.04
Land division fees	1,000.00	750.00	(250.00)
Delinquent tax administration fee		97.77	97.77
<u>Total revenues</u>	<u>\$186,810.00</u>	<u>\$179,115.21</u>	<u>\$ (7,694.79)</u>
<u>EXPENDITURES</u>			
Township board	\$ 19,140.00	\$ 16,336.97	\$ 2,803.03
Supervisor	12,123.00	12,106.62	16.38
Land division	6,528.00	6,497.27	30.73
Clerk	15,423.00	11,455.72	3,967.28
Audit	1,000.00		1,000.00
Board of review	775.00	1,000.62	(225.62)
Treasurer	17,973.00	15,651.92	2,321.08
Assessor	9,622.00	9,402.52	219.48
Elections	800.00		800.00
Township hall	15,100.00	6,765.26	8,334.74
Legal	7,500.00	24,480.16	(16,980.16)
Fire protection	10,000.00	14,172.67	(4,172.67)
Plumbing and mechanical inspection	2,597.00	2,546.53	50.47
Electrical inspection	3,047.00	2,978.57	68.43
Building inspection	4,728.00	4,838.97	(110.97)
Roads	117,000.00	113,509.87	3,490.13
Street Lighting	1,000.00	945.29	54.71
Sanitary landfill		135.00	(135.00)
Planning and zoning commission	3,900.00	3,076.53	823.47
Board of appeals	1,150.00	715.53	434.47
Drain-at-large	1,000.00	2,100.25	(1,100.25)
Library	4,400.00	3,969.00	431.00
<u>Total expenditures</u>	<u>\$254,806.00</u>	<u>\$252,685.27</u>	<u>\$ 2,120.73</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>\$ (67,996.00)</u>	<u>\$ (73,570.06)</u>	<u>\$ (5,574.06)</u>
Fund balance - beginning	<u>119,188.44</u>	<u>119,188.44</u>	<u>-0-</u>
Fund balance - ending	<u>\$ 51,192.44</u>	<u>\$ 45,618.38</u>	<u>\$ (5,574.06)</u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

TAX AGENCY FUND

FOR THE YEAR ENDED MARCH 31, 2004

	<u>Balance 3-31-03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 3-31-04</u>
<u>ASSETS</u>				
Cash in bank	<u>\$ 21.00</u>	<u>\$983,844.57</u>	<u>\$983,021.20</u>	<u>\$ 844.37</u>
<u>LIABILITIES</u>				
Due to solid waste fund	\$	\$ 63,484.84	\$ 63,484.84	\$
Due to general fund	21.00	41,196.99	41,196.99	21.00
Due to Midland County		503,809.39	503,402.92	406.47
Due to Bullock Creek School District		61,310.82	61,310.82	
Due to Merrill School District		211,604.92	211,290.21	314.71
Due to Breckenridge School District		21,449.28	21,449.28	
Due to Delta College		80,335.60	80,233.41	102.19
Due to Gratiot Isabella Regional Educational Service District		241.72	241.72	
Overpayments		411.01	411.01	
	<u>\$ 21.00</u>	<u>\$983,844.57</u>	<u>\$983,021.20</u>	<u>\$ 844.37</u>

See accompanying notes to financial statements.

MT. HALEY TOWNSHIP

Schedule 1.

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TOWNSHIP BOARD</u>			
Salaries	\$	\$ 3,890.00	\$
Office supplies		191.97	
Payroll taxes		961.96	
Bank charges		498.03	
Printing and publishing		481.11	
Insurance and bonds		4,703.27	
Dues		842.70	
Miscellaneous		10.00	
Training and education		70.00	
Pension plan		4,522.31	
Prior year tax adjustments		165.62	
<u>Totals</u>	<u>\$ 19,140.00</u>	<u>\$ 16,336.97</u>	<u>\$ 2,803.03</u>
<u>SUPERVISOR</u>			
Salary	\$	\$ 9,623.00	\$
Office supplies		305.83	
Mileage		506.45	
Telephone and fax		1,083.72	
Miscellaneous		287.62	
Utilities		300.00	
<u>Totals</u>	<u>\$ 12,123.00</u>	<u>\$ 12,106.62</u>	<u>\$ 16.38</u>
<u>LAND DIVISION</u>			
Salary	\$	\$ 5,678.00	\$
Office supplies		92.17	
Mileage		278.60	
Computer software and support		148.50	
Utilities		300.00	
<u>Totals</u>	<u>\$ 6,528.00</u>	<u>\$ 6,497.27</u>	<u>\$ 30.73</u>
<u>CLERK</u>			
Salary	\$	\$ 9,623.00	\$
Salary - deputy		490.00	
Office supplies		434.13	
Mileage		144.21	
Telephone and fax		464.38	
Utilities		300.00	
<u>Totals</u>	<u>\$ 15,423.00</u>	<u>\$ 11,455.72</u>	<u>\$ 3,967.28</u>

MT. HALEY TOWNSHIP

Schedule 1.
(Continued)

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>AUDIT</u>	<u>\$ 1,000.00</u>	<u>\$</u>	<u>\$ 1,000.00</u>
<u>BOARD OF REVIEW</u>			
Salaries	\$	\$ 580.00	\$
Printing and publishing		200.62	
Education and training		220.00	
<u>Totals</u>	<u>\$ 775.00</u>	<u>\$ 1,000.62</u>	<u>\$ (225.62)</u>
<u>TREASURER</u>			
Salary	\$	\$ 12,623.00	\$
Office supplies		394.69	
Mileage		525.00	
Printing and publishing		887.23	
Telephone and fax		390.83	
Utilities		300.00	
Education and training		66.67	
Computer software and support		464.50	
<u>Totals</u>	<u>\$ 17,973.00</u>	<u>\$ 15,651.92</u>	<u>\$ 2,321.08</u>
<u>ASSESSOR</u>			
Salary	\$	\$ 8,522.00	\$
Mileage		44.80	
Printing and publishing		636.22	
Education and training		50.00	
Computer software and support		149.50	
<u>Totals</u>	<u>\$ 9,622.00</u>	<u>\$ 9,402.52</u>	<u>\$ 219.48</u>
<u>ELECTIONS</u>	<u>\$ 800.00</u>	<u>\$</u>	<u>\$ 800.00</u>
<u>TOWNSHIP HALL</u>			
Salary	\$	\$ 1,128.00	\$
Supplies		536.55	
Telephone		424.08	
Repair and maintenance - grounds		815.00	
Repair and maintenance - building		1,913.21	
Utilities		1,004.01	
Propane		944.41	
<u>Totals</u>	<u>\$ 15,100.00</u>	<u>\$ 6,765.26</u>	<u>\$ 8,334.74</u>

MT. HALEY TOWNSHIP

Schedule 1.

GENERAL FUND

(Continued)

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>LEGAL</u>	<u>\$ 7,500.00</u>	<u>\$ 24,480.16</u>	<u>\$ (16,980.16)</u>
<u>FIRE PROTECTION</u>	<u>\$ 10,000.00</u>	<u>\$ 14,172.67</u>	<u>\$ (4,172.67)</u>
<u>PLUMBING AND MECHANICAL INSPECTION</u>			
Salary	\$	\$ 2,147.00	\$
Mileage		126.35	
Education and training		173.18	
License		100.00	
Totals	<u>\$ 2,597.00</u>	<u>\$ 2,546.53</u>	<u>\$ 50.47</u>
<u>ELECTRICAL INSPECTION</u>			
Salary	\$	\$ 2,147.00	\$
Mileage		380.45	
Education and training		451.12	
Totals	<u>\$ 3,047.00</u>	<u>\$ 2,978.57</u>	<u>\$ 68.43</u>
<u>BUILDING INSPECTION</u>			
Salary	\$	\$ 3,578.00	\$
Office supplies		229.71	
Mileage		379.54	
Office rental		600.00	
Education and training		51.72	
Totals	<u>\$ 4,728.00</u>	<u>\$ 4,838.97</u>	<u>\$ (110.97)</u>
<u>ROADS</u>	<u>\$117,000.00</u>	<u>\$113,509.87</u>	<u>\$ 3,490.13</u>
<u>STREET LIGHTING</u>	<u>\$ 1,000.00</u>	<u>\$ 945.29</u>	<u>\$ 54.71</u>
<u>SANITARY LANDFILL</u>	<u>\$</u>	<u>\$ 135.00</u>	<u>\$ (135.00)</u>
<u>PLANNING AND ZONING COMMISSION</u>			
Salaries	\$	\$ 2,115.00	\$
Office supplies		145.39	
Contracted services		70.00	
Mileage		57.05	
Miscellaneous		259.09	
Education and training		430.00	
Totals	<u>\$ 3,900.00</u>	<u>\$ 3,076.53</u>	<u>\$ 823.47</u>

MT. HALEY TOWNSHIP

Schedule 1.
(Continued)

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

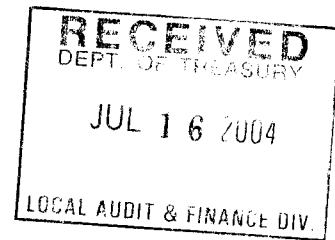
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>BOARD OF APPEALS</u>			
Salaries	\$	\$ 585.00	\$
Office supplies		31.19	
Printing and publishing		99.34	
<u>Totals</u>	<u>\$ 1,150.00</u>	<u>\$ 715.53</u>	<u>\$ 434.47</u>
<u>DRAIN-AT-LARGE</u>	<u>\$ 1,000.00</u>	<u>\$ 2,100.25</u>	<u>\$ (1,100.25)</u>
<u>LIBRARY</u>	<u>\$ 4,400.00</u>	<u>\$ 3,969.00</u>	<u>\$ 431.00</u>
 <u>TOTAL EXPENDITURES</u>	 <u>\$254,806.00</u>	 <u>\$252,685.27</u>	 <u>\$ 2,120.73</u>

See accompanying notes to financial statements.

JOHN A. RIGG
CERTIFIED PUBLIC ACCOUNTANT
4012 W. WACKERLY STREET
MIDLAND, MICHIGAN 48640-2298

TELEPHONE (989) 835-6774
FAX (989) 835-9622



To the Honorable Members of the
Mt. Haley Township Board
Midland County, Michigan

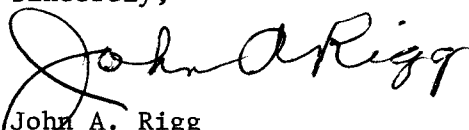
COMMENTS AND RECOMMENDATIONS:

1. Books and records are maintained on a cash basis. They have been converted to a modified accrual basis for audit purposes.
2. It was noted that budgeted figures were not amended during the year. These adjustments are required when receipts or expenditures exceed 10% of budgeted amounts.
3. The Solid Waste Fund general ledger was not in balance at March 31, 2004. This was not a significant factor and will be corrected by the clerk.

I wish to thank the township personnel for the assistance given during the completion of the audit.

During the completion of my examination, nothing indicating any improper or illegal action came to my attention.

Sincerely,


John A. Rigg
Certified Public Accountant

Midland, Michigan
June 9, 2004